Gaming Policy and Enforcement Branch

Annual Report

April 1, 2010 - March 31, 2011

BRITISH COLUMBIA

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Letter of transmittal

I am pleased to submit the 2010/11 Annual Report for the Ministry of Public Safety and Solicitor General's Gaming Policy and Enforcement Branch (GPEB) to the British Columbia Legislature. The information in this report reflects the activities of the Branch between April 1, 2010 and March 31, 2011.

The Gaming Policy and Enforcement Branch regulates the gaming industry in British Columbia. Its mandate is to ensure that gaming in the province is conducted and managed with integrity, and that the interests of the public are protected.

The evolving nature of gaming poses ongoing challenges to regulation. Casinos and community gaming centres are bringing new technology into their venues. For example, the British Columbia Lottery Corporation (BCLC) now has casino-style games and poker available through its PlayNow.com website. To address these and other changes to the industry, the Branch must maintain flexible and creative approaches to make sure that the same standard of integrity applies to all forms of gaming.

The frequency of cash transactions at gaming facilities means that service providers, the British Columbia Lottery Corporation, the Gaming Policy and Enforcement Branch and police forces must continue to be vigilant to deter money laundering. To ensure the Province's current anti-money laundering policies, practices and strategies are appropriate and to find ways to improve these wherever possible, my predecessor commissioned an independent review of anti-money laundering measures in B.C. casinos.

Work is already underway to implement new measures to better manage cash and improve patron safety. The results of the Review will inform GPEB activity in 2011/12 as it continues to strengthen anti-money laundering measures in B.C. casinos.

Government continues to support the B.C. horse racing industry through the B.C. Horse Racing Industry Revitalization Initiative. For 2010/11, government increased its financial support to $10 million. The government appointed B.C. Horse Racing Industry Management Committee continues to guide the industry in its effort to become financially stable and sustainable. Given the number of challenges facing the industry and the general decline of horse racing across North America, these efforts will continue through 2011/12.

I will continue to work closely with GPEB management and staff to address these ongoing challenges and ensure the effective regulation of British Columbia's gaming industry and the protection of consumers and partners.

Honourable Shirley Bond
Minister of Public Safety and Solicitor General

Accountability statement

Honourable Shirley Bond
Minister of Public Safety and Solicitor General

Minister:

I'm pleased to present the 2010/11 Annual Report for the Gaming Policy and Enforcement Branch (GPEB). The report covers the period between April 1, 2010 and March 31, 2011. I am responsible for the contents of this document, including the selection of accomplishments and the way in which they are reported.

GPEB's core mandate is to ensure the integrity of gaming in British Columbia. This includes making sure the right people and companies are involved in the industry, that gaming revenues are used appropriately, that all incidents of real or suspected wrongdoing are addressed, and that help is available for anyone experiencing problems related to gambling.

This past year saw a significant milestone in the evolution of the gaming industry in British Columbia. The British Columbia Lottery Corporation (BCLC) expanded its PlayNow.com website by adding casino-style games and peer-to-peer, multi-jurisdictional poker. The challenges surrounding the launch of the casino-style games made it evident that GPEB needed to enhance its approach to technical certification. In response, the Branch devoted its planning session for 2011/12 to online gaming. This resulted in the creation of a cross-divisional working group to review BCLC's introduction of ePoker, and to ensure that in addition to the related technical certification, this new online offering was scrutinized from all regulatory perspectives.

I am fortunate to work with a group of talented and enthusiastic people committed to keeping gaming in British Columbia a sound, socially-responsible industry. My thanks to GPEB staff for another year of dedication and exemplary service.

Douglas Scott
Assistant Deputy Minister and General Manager
Gaming Policy and Enforcement Branch

Mandate statement

GPEB's mandate is to ensure the integrity of gaming and horse racing in British Columbia.

To carry out this mandate, GPEB regulates all gaming in the province. This includes regulatory oversight of BCLC, which conducts, manages and operates most commercial gaming in B.C.—from lotteries, casinos and community gaming centres, to commercial bingo halls and the PlayNow.com website.

GPEB's work is guided by the provincial Gaming Control Act, the Criminal Code of Canada and other applicable laws, regulations, and policies.

GPEB's core objective is to ensure that a comprehensive and responsible gaming regulatory framework is in place.

Key facts about gaming in British Columbia

In British Columbia, gaming is a $2.7 billion/year industry.

During the past year, the gaming sector included:

- Over 26,000 people employed directly and indirectly in gaming operations and support services
- Over 9,100 licensed gaming events

As of March 31, 2011, the commercial gaming industry included:

- Provincial and national lottery games
- PlayNow.com
- 17 casinos
- 16 community gaming centres
- 11 commercial bingo halls
- 5 horse racetracks
- 22 horse racing teletheatres

In 2010/11, the regulation of gaming in British Columbia included:

- New and renewed registrations for:
  - 5,176 gaming workers
  - 2,297 lottery retailers
  - 253 senior gaming officials
  - 741 horse racing workers
  - 54 gaming services and gaming equipment providers
- Certification of 550 types of gaming equipment and/or supplies
- 456 audits of licensed gaming events and organizations' use of gaming grant proceeds
- Audits of 14 casinos, 13 community gaming centres, two horse racetracks and seven commercial bingo halls
- 8,818 notifications of suspicious activity and potential wrongdoing
- Conducting compliance audits of BCLC and the gaming industry regarding all applicable public interest standards, directives, laws and regulations.
- Operational reviews of every teletheatre in the province

Strategic focus and special projects 2010/11

PlayNow.com and ePoker working group

On July 15, 2010, BCLC expanded PlayNow.com to include casino-style games. The site experienced technical problems upon launch, and had to be temporarily shut down. It was re-launched on August 20.

As the industry regulator, GPEB was responsible for approving technical certification of both launches. The re-launch process required extensive review and consultation of the technical issues involved in online gaming--particularly important, given that BCLC has included peer-to peer poker on PlayNow.com, which is shared across B.C. and other Canadian jurisdictions.

GPEB's planning session in the fall of 2010 was focussed on ePoker and the associated issues with this form of online gaming. It became clear that the Branch needed to increase focus on the technical certification process. It was also agreed that additional preparation would be needed to ensure that all relevant divisions within the Branch had fully planned how to integrate the regulation of ePoker into their ongoing operations. In response, the Branch initiated a cross-divisional working group to meet this goal. The Internal Compliance and Risk Management Division provided project management support and monitored divisional plans and activities up to BCLC's successful launch of ePoker.

It was determined that the cross divisional working group approach was effective in ensuring that all regulatory requirements were met in response to new BCLC initiatives and other emerging issues in the gaming industry. This approach will be used in the future, as appropriate.

Horse racing revitalization

According to the 2008 report, *Size and Scope of Horse Racing in British Columbia*[1], the B.C. horse racing industry provides approximately 3,600 full-time equivalent jobs. This means that more than 7,400 people hold full-time, part-time or casual jobs in the industry. The report also estimated the overall economic impact of the industry was more than $350 million.

Horse racing industry revenues have been declining over the past decade. In response, B.C. horse racing industry organizations asked the provincial government to help stabilize and revitalize the industry.

This request led to the creation of the B.C. Horse Racing Industry Management Committee (HRIMC). Comprised of leading horse racing industry and business experts, the Committee has full authority to provide strategic direction, decision-making, and business leadership to revitalize the industry.

The HRIMC began its formal involvement with the horse racing industry in January 2010. To date, the Committee has put in place a number of changes that have strengthened the industry, and will continue to develop effective business practices.

Before the creation of the HRIMC, the horse racing industry lacked strong central management. This made it difficult for the industry to establish an effective business model that would enable it to compete with other forms of gaming and entertainment.

The Committee has taken steps to ensure that major decisions adhere to a sustainable, effective and transparent business model that benefits the whole industry.

The HRIMC indentified four main for improvement:

1. Governance
2. Cost efficiencies in operations
3. New revenue initiatives
4. Improving player interest and participation in horse racing and wagering

The B.C. Horse Racing Industry Business Plan offers a detailed summary of accomplishments and next steps in these areas. This document can be viewed at: www.pssg.gov.bc.ca/gaming/horse-racing/revitalization.htm

1 IER Pty. Ltd. (www.harnessbc.ca/pdf/newspdf/bc%20size%20and%20scope%20study_report%20official.pdf)

Ensuring citizens and communities are protected

Ensuring the right people and companies are involved in gaming

GPEB's registration program helps to prevent unsuitable candidates from entering the gaming industry. Every year thousands of individuals and dozens of companies apply for registration.

Registrants are subject to a background investigation, which includes, but is not limited to, a criminal record check and a credit check. In some cases, an interview is conducted to confirm an applicant meets the required standards of integrity. If successfully registered, individuals and companies continue to be monitored to make sure they adhere to the conditions of registration set out in the Gaming Control Act and regulations.

There are three different kinds of registration: Corporate, personnel and lottery retailers.

Corporate Registration

The Corporate Registration Unit scrutinizes businesses and their executive personnel. Businesses registered with GPEB include many large public and privately owned companies, including casino, bingo and horse racing operators, as well as suppliers and manufacturers of gaming equipment (e.g., slot machines, automatic shufflers, etc). Corporate registration also registers other service providers, such as gaming consultants, as well as security and ancillary services, including food and janitorial services provided at gaming facilities.

Personnel Registration

The Personnel Registration Unit registers all individuals involved in the gaming industry, except lottery retailers (see below). This includes all people directly involved in the industry (e.g., casino, bingo and horse racing workers), as well as those indirectly involved (e.g., BCLC and GPEB employees).

Registration of Lottery Retailers

In response to allegations of lottery retailer fraud in Ontario in 2006/07, GPEB began registering lottery retailers in 2007. This included registering managers at the approximately 4,000 lottery retail outlets in the province. The Branch continues to look at ways to make the registration system more efficient, while maintaining the integrity of lottery operations.

Table 1: Registration figures

Corporate registrations	2010/11		2009/10	
	New	Renewal	New	Renewal
Gaming service providers	13	20	6	17
Gaming equipment suppliers	5	7	2	9
Ancillary service contractors	6	3	5	1
Senior officials and senior employees	136	117	119	98

Personnel registrations	2010/11		2009/10	
	New	Renewal	New	Renewal
Gaming workers	2,659	2,517	2,912	1,662
Lottery retail managers	600	1697	826	n/a
Horse racing workers	240	501	400	644
GPEB and BCLC personnel	107	30	211	26

Summary of Refusals, Revocations and Cancellations

Every year, GPEB refuses a number of registrations for a variety of reasons. The most common involves inappropriate behaviour that calls into question the honesty and integrity of the applicant. Examples include failure to pass a criminal record check, to disclose outstanding criminal charges, or to provide information requested in the application or subsequent background investigation. While having a criminal record does not automatically result in refusal, all applicants are thoroughly vetted to ensure their suitability to participate in the gaming industry—a process that does not end when registration has been granted.

Through regulatory audits and investigations, registrants are monitored for compliance with the terms and conditions of registration. If the integrity of a registrant is called into question, or if he or she is found not in compliance with the regulatory requirements of the Gaming Control Act, GPEB's progressive disciplinary process will address these concerns. Based on the severity of the transgression, the Registration Division may issue a sanction, warning or suspension, or it may cancel registration altogether.

The table below shows the number of registrations revoked due to non-compliance. Under the "ceased" category, the table also indicates the number of individuals who voluntarily left the gaming industry.

Table 2: Summary of revocations and cancellations

Type of Registration	2010/11			2009/10		
	Denied	Revoked	Ceased	Denied	Revoked	Ceased
Gaming workers	19	10	2,574	29	7	3,251
Horse racing workers	10	1		5	2	n/a
Lottery retail managers	10	7	2,224	3	5	1,190
BCLC and GPEB personnel	0	0	235			

Ensuring gaming supplies are fair

GPEB's certification process ensures that gaming supplies work properly and deliver the stated odds of winning. Only GPEB-certified gaming supplies may be used in British Columbia's gaming venues.

Gaming supplies include slot machines and related casino computer systems, lottery products (including pull-tab tickets and Scratch & Win tickets), lottery terminals, self-checking lottery machines, electronic table game equipment, lottery draw systems, bingo supplies, table game supplies, and Internet gambling software.

All gaming supplies are tested in registered testing facilities, which verify product compliance with technical standards published by GPEB. In cases where a new lottery scheme would be best tested in a live environment, an interim certification may be granted as a first step in the full certification process. All equipment manufacturers and suppliers must ensure their products meet or exceed GPEB's standards.

GPEB investigates reports of malfunctioning gaming supplies and issues with lottery products.

In 2010/11, the Branch conducted thirteen technical investigations of gaming equipment malfunctions and lottery product complaints.

Gaming supplies are routinely upgraded and improved. This means their original certification may no longer be valid. Certification is suspended or revoked when a manufacturer or registered testing facility reports that a particular gaming product no longer meets the technical standard under which it was approved.

Gaming supply malfunctions can also lead to a certification suspension or revocation, but revocations due to malfunctions are rare. Software upgrades account for the majority of revocations.

In all instances, gaming supplies whose certification has been suspended or revoked must be removed from the gaming floor or from the Playnow.com website until they are repaired, modified or upgraded. A new Certificate of Technical Integrity is required before the gaming supplies can be returned to service.

Table 3: Gaming supplies certifications

Type of certification	2010/11		2009/10	
	Certifications	Revocations	Certifications	Revocations
Pull-tab lottery tickets	16	0	15	0
Scratch & Win lottery tickets	54	1	63	0
eLottery (PlayNow.com interactive games)	50	38[1]	9	0
Electronic gaming devices and other supplies	430	51	408	34

1 Games revoked as a result of technical issues with the initial launch of BCLC's casino-style games on PlayNow.com. These games were subsequently re-certified.

Risk management and internal compliance

In order to keep pace with the rapidly evolving gaming industry, the Branch has moved towards a governance, risk and compliance management (GRC) model that includes risk management, ethics-reporting through a whistleblower program, monitoring and reviewing internal compliance, and evaluating the effectiveness of the program.

GPEB's Internal Compliance and Risk Management Division is responsible for the GRC program. The division also manages compliance with the Freedom of Information and Protection of Privacy Act, business continuity planning and core policy, and legislative requirements.

A number of milestones were reached in 2010/11. The Control and Risk Management Committee met quarterly to identify vulnerabilities and solutions for GPEB and the gaming industry. A gaming risk forum held in early 2010 provided tools for GPEB and BCLC to jointly identify issues and corresponding solutions. As well, an effective cross-divisional approach was developed in response to new electronic games being added to the PlayNow.com website. GPEB will continue to use this approach to address future BCLC initiatives and emerging issues in the gaming industry. This process ensures that all regulatory requirements from each division have been met (the regulatory assurance process).

Ensuring compliance with regulations and standards

The audit program

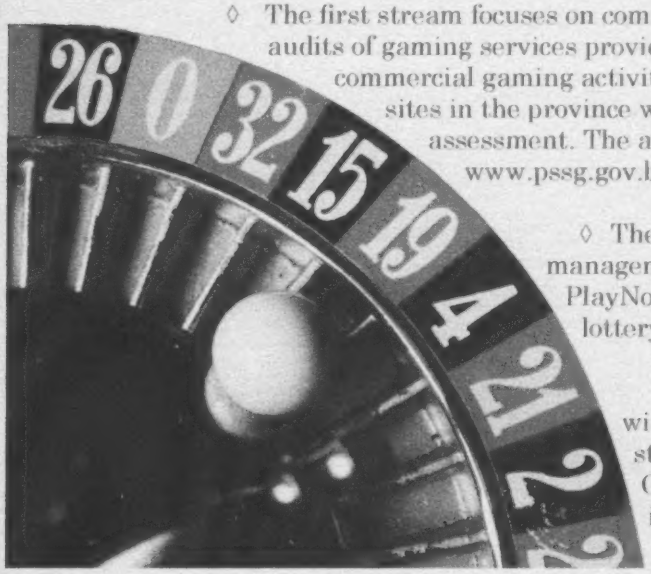
Under the Gaming Control Act and regulation, GPEB has the authority to monitor compliance with all applicable gaming legislation, regulations, policies, directives and public interest standards.

To ensure compliance, GPEB monitors the commercial gaming sector (including BCLC), the licensed charitable gaming sector, and community organizations' use of gaming proceeds. The Branch also runs public education programs to help improve compliance.

The Audit Division has two distinct work units: Commercial Gaming and Charitable Gaming.

Commercial Gaming Audit Unit

The Commercial Gaming Audit unit is divided into three streams:



◊ The first stream focuses on commercial gaming facilities. It carries out compliance audits of gaming services providers' conduct, management and operation of commercial gaming activities. GPEB determines which commercial gaming sites in the province will be audited each year based on a thorough risk assessment. The audit findings for commercial casinos are available at: www.pssg.gov.bc.ca/gaming/reports/audits.htm

◊ The second stream focuses on BCLC's conduct and management of lottery gaming, including the Corporation's PlayNow.com website. This includes inspections of BCLC's lottery retail sites throughout the province.

◊ The third stream focuses on BCLC's compliance with gaming laws, regulations and public interest standards in relation to all forms of gaming in B.C. GPEB has conducted annual audits of BCLC's internal processes and procedures since 2007/08.

In 2010/11, GPEB managed a comprehensive commercial gaming audit plan with three core objectives:

◊ Verify compliance with the Gaming Control Act, Gaming Control Regulation, GPEB directives and public interest standards.

◊ Maintain the integrity, fairness, security and public safety of the gaming environment, gaming equipment, gaming assets and gaming supplies.

◊ Confirm that a safe and supportive environment for the delivery of gaming products and services is in place, gambling risks are minimized, and effective and timely information and help is provided to individuals experiencing distress.

Charitable Gaming Audit Unit

The Charitable Gaming Audit Unit carries out compliance audits of licensed gaming events. This includes checking for compliance with terms and conditions for both event conduct and use of proceeds, and ensuring the appropriate use of gaming grant funds. GPEB determines which licensed gaming events and gaming grant recipients will be audited each year based on a thorough risk assessment. The audit findings for large-scale registered ticket raffles are available at www.pssg.gov.bc.ca/gaming/reports/audits.htm.

This unit also works to improve the compliance of organizations receiving gaming funds and those conducting gaming events, ensuring the proper use of gaming proceeds and enhancing financial accountability on the part of these organizations.

The percentage of audited gaming fund recipients found in full compliance has gone up from 58 per cent in 2009/10, to 75 per cent in 2010/11.

Table 4: Charitable and commercial audit activity

Type of audit	2010/11	2009/10
Commercial gaming site compliance audits	36	38
Compliance audits of BCLC's commercial gaming business, including PlayNow.com	18	18
Commercial gaming audits of the corporation's lottery business (e.g. , lottery prize payout)	10	10
Inspections of lottery retailers	792	801
Audits of charitable organizations receiving grants and conducting licensed gaming events	456	480
Percentage of audited gaming fund recipients in compliance	75%	58%

Enforce the rules and regulations of horse racing

GPEB regulates horse racing events in B.C., develops rules of horse racing, and licenses all participants in the industry. Horse racing statistics are reported by calendar year.

Racing Division staff are present at all operating racetracks in the province. In 2010, GPEB oversaw 1,597 races on 168 race dates at five provincial tracks.

The Racing Division develops rules and policies to ensure the horse racing industry operates fairly and with integrity. The division also revises the Rules of Thoroughbred and Standardbred Horse Racing in British Columbia and meets regularly with industry stakeholders to address issues.

British Columbia's horse racing industry employs approximately 2,900 licensed owners, jockeys, drivers, trainers, grooms and exercise riders, all of whom must be licensed and registered with GPEB (see page 10). In 2010, 741 horse race workers were either licensed for the first time or had their licence renewed.

Table 5: British Columbia horse racing summary

Thoroughbred tracks	Race days		Live races		Horses ran	
	2010	2009	2010	2009	2010	2009
Hastings Racecourse (Vancouver)	71	74	564	643	4,533	5,267
Sagebrush Downs (Kamloops)	5	8	24	49	127	309
Sunflower Downs (Princeton)	1	1	8	9	49	57
Kin Park (Vernon)	3	3	16	19	94	136
Total	**80**	**86**	**612**	**720**	**4,803**	**5,769**
Standardbred tracks	2010	2009	2010	2009	2010	2009
Fraser Downs Racecourse (Surrey)	88	96	985	1,122	8,133	9,401
Sandown Racecourse (Sidney)	0	0	0	0	0	0
Total	**88**	**96**	**985**	**1,122**	**8,133**	**9,401**

Table 6: Horse race wagering ($ figures in thousands)

	2010
Wagers at Hastings Park (HP)	
HP live races	$10,528
HP simulcast wagers	$40,276
Total	**$50,804**
Wagers at Fraser Downs (FD)[1]	
FD live races	$2,856
FD simulcast wagers	$21,447
Total	**$24,303**
Wagers through Teletheatre BC	
Wagers on HP races	$3,717
Wagers on FD races	$2,546
Wagers on other racetracks	$101,539
Total	**$107,802**
Total	**$182,908**

1 Includes the $1,557,978 in simulcast wagers from the Sandown Racetrack Teletheatre

Regulating the horse racing industry means that GPEB is responsible for enforcing and adjudicating the rules and regulations related to racing. The Branch looks at all activities on the track or in the backstretch that could have a negative impact on the integrity of horse racing.

In 2010, GPEB's stewards and judges issued a total of 240 rulings. Of these, 113 were for thoroughbred racing infractions (issued by stewards), and 127 were for standardbred racing infractions (issued by judges).

Table 7: Horse racing rulings

STANDARDBRED RULINGS	2010	2009
Whipping violations	23	42
Racing or driving infractions committed during a race	61	62
Drug or alcohol infractions involving either horses or registered horse racing workers	12	10
Inappropriate behaviour in the backstretch area of a racetrack	16	21
Licensing or registration violations	0	1
Horses that bled during a race	0	4
Restoration of a horse or a horse racing worker to good standing	12	8
Other categories	3	6
TOTAL STANDARDBRED RULINGS	**127**	**154**

THOROUGHBRED RULINGS	2010	2009
Racing or riding infractions committed during a race	35	21
Drug or alcohol infractions involving either horses or registered horse racing workers	23	33
Entering an ineligible horse	3	15
Inappropriate behaviour in the backstretch area of a racetrack	11	10
Licensing or registration violations	20	21
Horses that bled during a race	5	1
Restoration of a horse or a horse racing worker to good standing	13	7
Other categories	3	8
TOTAL THOROUGHBRED RULINGS	**113**	**116**

Investigate allegations of wrongdoing related to gaming

To ensure the integrity of gaming in British Columbia, GPEB investigates all reported instances of real or suspected wrongdoing in gambling and horse racing. The Branch investigates, or assists law enforcement agencies in investigating, reports of suspected criminal activity or regulatory infractions related to legal gaming and horse racing.

BCLC, service providers, licensees and registrants (including lottery retailers) are legally required to notify GPEB without delay of any conduct, activity or incident connected to a lottery scheme or horse racing that may be considered contrary to the Criminal Code of Canada, the Gaming Control Act or regulation. This includes incidents at a gaming facility and those connected to lottery products. Any other matters that may affect the integrity of gaming and horse racing must also be reported, including, but not limited to cheating at play, theft, fraud, money laundering, loan sharking, robberies, assaults and threats.

GPEB investigates regulatory offences and those related to the Criminal Code of Canada (CC). Under the Gaming Control Act (GCA), GPEB has the authority to issue warnings, administer sanctions or issue tickets.

Other activities include conducting postregistration and post-licensing investigations; working in conjunction with law enforcement agencies to investigate illegal gambling activities, such as unauthorized lottery schemes; and providing gaming expertise, proceeds-of-crime assistance and forensic investigation to law enforcement agencies throughout the province.

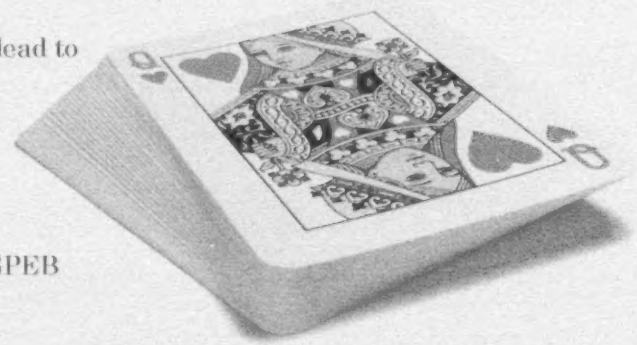
GPEB maintains strong relationships with the RCMP and municipal police departments across jurisdictions to increase awareness of gaming-related enforcement issues and to identify potential suspects involved in unlawful gaming activity. The Branch uses these working relationships to help identify trends in unlawful activity and to help gather and share intelligence concerning unlawful activity in gaming and horse racing.

In 2010/11, GPEB opened 8,818 files based on notifications and/or complaints of suspicious activity or suspected wrongdoing in legal gaming venues. Of these files, 1,920 involved reports of individuals that entered a gaming facility when they had been legally prohibited to do so.

While all 8,818 files were investigated, the majority of them did not lead to sanctions by GPEB or by the RCMP or local police (see "Other," under "Cleared Files" in Table 8).

The most common reasons for an investigation not to lead to a sanction are:

- Lack of sufficient evidence to lay charges
- Lack of an identified suspect
- Cases where the matter was resolved to the satisfaction of all parties before GPEB got involved



Illegal Gaming

The mandate of the Investigations Division is to investigate all instances of real or suspected wrongdoing related to legal gaming and horse racing in British Columbia. The Branch does not investigate high-level illegal gambling activity. This is the mandate of the RCMP and/or local police forces.

However, GPEB does provide information, intelligence, expertise and, when requested, operational assistance to the police. The Branch also maintains effective communication with the police and identifies opportunities for investigation of alleged illegal gambling where appropriate.

For investigations related to illegal lotteries (for example, an event that was not licensed or is not eligible to be licensed), GPEB provides education and issues warnings and ticket violation notices. Of the 194 files related to suspected illegal gaming activities, 143 were related to illegal lottery issues.

Table 8: Investigation activity related to real or suspected wrongdoing

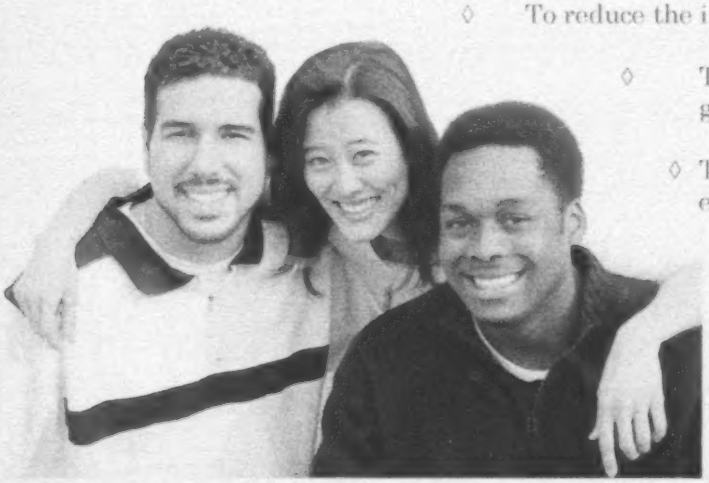
Types of notification	Number opened	Cleared files							Ongoing
		Unfounded	Warning	GCA admin[1]	GCA charge	CC charge	Intelligence[2]	Other[3]	
Theft	1,545	66	0	0	0	40	0	1,325	114
Assault and threats	367	11	0	0	0	9	0	316	31
Fraud	308	25	0	0	0	176	0	98	9
Loan sharking	44	2	0	0	0	0	6	32	4
Suspicious currency transactions/ money-laundering	459	5	0	0	0	0	138	260	56
Cheat at play	84	7	0	0	0	11	0	64	2
Counterfeit	602	7	0	0	0	0	561	15	19
GCA violations	314	10	26	141	6	0	13	87	31
VSE[4] prohibited	725	14	4	0	1	0	622	57	27
Prohibited (other)	1,195	6	2	0	16	0	1,129	20	22
Unclassified (types not categorized above)	3,175	95	3	0	3	15	111	2,736	212
TOTAL	**8,818**	**248**	**35**	**141**	**26**	**251**	**2,580**	**5,010**	**527**

1 Includes breaches of licence or registration conditions.
2 Includes forwarding data on suspect individuals and groups to police of jurisdiction, RCMP Proceeds of Crime, Major/ Commercial Crime, FINTRAC, etc., and maintaining data for future investigations.
3 Includes reports where there is insufficient evidence to lay charges, assisting police of jurisdiction on unrelated criminal matters, or unidentified suspects.
4 Voluntary Self-Exclusion.

Supporting citizens and communities

Problem gambling and responsible gambling programs

In 2003, the Province launched its Responsible Gambling Strategy, which has three core goals:



- To reduce the incidence of problem gambling
- To reduce the harmful impacts of excessive gambling
- To ensure gambling is delivered in a way that encourages responsible practices and healthy choices

These goals guide the delivery of service in two areas: responsible and problem gambling awareness and education, and problem gambling counselling.

Reducing the Incidence of Problem Gambling

As part of this goal, GPEB informs the public of the risks inherent to gambling, encourages players to know their limit and play within their means, and fosters public awareness of problem gambling issues and of services available to those who need them.

The Branch contracts a number of service providers (14 in 2010/11) to deliver community-based programs that provide problem gambling prevention and education information and encourage people to make healthy choices. Participants learn to identify problem gambling behaviour, respond appropriately to a friend or family member experiencing problems with gambling, and access counselling and other support services.

The program also exposes gambling myths and discusses responsible gambling practices. Over 1,700 presentations took place in 2010/10 before a variety of audiences:

- Children, youth and young adults
- Higher risk adults
- General adult populations
- Allied professionals

In early 2010, GPEB developed a new resource for college and university students called Gam_iQ, an interactive education program using iPad technology. During the 2010/11 school year, prevention specialists piloted Gam_iQ on 23 college and university campuses around the province. Almost 6,500 students played the comic book-style trivia game, testing their knowledge about common gambling myths and facts, and about problem gambling risks and behaviours.

GPEB continued to coordinate and standardize its problem gambling prevention activities across the province, a process begun in 2008/09.

Reducing the Harmful Impacts of Excessive Gambling

In 2010/11, GPEB's 30 contracted clinical counsellors provided problem gambling counselling across British Columbia.

Problem gambling counselling services are free of charge for anyone directly or indirectly experiencing a gambling problem. Individuals, couples, family and group counselling services are available. Outreach counselling and telephone counselling is available for clients in remote locations.

An intensive day-treatment program called Discovery is also offered for five consecutive days each month in Victoria or the Lower Mainland. Participants may enrol for all or part of this program.

The 24-hour toll-free Problem Gambling Help Line can be reached at 1-888-795-6111. Operators provide crisis counselling and refer callers to various treatment and support services provided by the Province and allied professionals.

Funded by GPEB, the Help Line and free counselling and support services comprise an immediate response network to ensure that professional help is readily available for anyone experiencing issues due to excessive gambling.

For more information on the services offered through the B.C. Responsible and Problem Gambling Program, please see the Responsible Gambling Strategy Annual Report, which is posted online at www.pssg.gov.bc.ca/gaming/reports/.

For information on the future direction of problem and responsible gambling initiatives in the province, refer to the Responsible Gambling Strategy Three-year Plan, available online at www.pssg.gov.bc.ca/gaming/reports/docs/plan-rg-three-yr-2011-2014.pdf

Ensuring that Gambling is Delivered in a Way that Encourages Responsible Gambling and Healthy Choices

GPEB administers several programs to ensure the gambling industry operates in accordance with the Province's responsible gambling policies and practices.

GameSense Information Centres

Co-managed by GPEB and BCLC since 2006, GameSense Information Centres (formerly Responsible Gambling Information Centres) provide responsible gambling information at every casino and community gaming centre in B.C.

Centres located in casinos are staffed by GameSense Advisors (26 advisors throughout the province). These advisors share responsible gambling information and practices with interested patrons, and direct anyone experiencing gambling-related distress to the Problem Gambling Program and/or to BCLC's Voluntary Self-Exclusion Program.

Casinos and community gaming centres feature touch-screen interactive terminals, which provide engaging education modules at the push of a button or the touch of a screen.

Appropriate Response Training

The Appropriate Response Training is an educational program for gaming workers designed to enhance their knowledge, awareness, attitudes and skills, and to enable them to respond appropriately to patrons who may be experiencing distress in a gaming facility. GPEB supports Appropriate Response Training by providing responsible gambling specialists to co-facilitate the training sessions with BCLC.

Responsible Gambling Standards

The Province issued responsible gambling standards for the British Columbia gaming industry in 2005 to ensure that:

- minors are prevented from participating in gambling activities,
- patrons are equipped to make informed decisions regarding gambling,
- gambling-related risks are minimized, and
- people affected by excessive gambling have access to timely and effective information and help.

These standards apply to BCLC, all gaming services providers, all commercial gaming facilities and all community organizations licensed to conduct charitable gaming events.

In 2010/11, GPEB and BCLC reviewed and updated responsible gambling standards pertaining to the advertising of gambling products and venues. The updated framework for gambling-related advertising in B.C. outlines new responsible gambling messaging requirements across established mediums and social media platforms. This framework will help GPEB and BCLC better protect the public and, specifically, minors.

Responsible Gambling Standards Compliance Audits

The Province issued responsible gambling standards for the British Columbia gaming industry in 2005 to In 2010/11, GPEB audited 14 casinos, two racetracks, 13 community gaming centres and seven commercial bingo halls for compliance with responsible gambling standards. The Branch also inspected approximately 20 per cent of lottery retailers to ensure they complied with gaming legislation, directives, policies and procedures. Results are summarized in the Responsible Gambling Strategy annual report, available at: www.pssg.gov.bc.ca/gaming/reports/.

Compliance audits focus on five key areas:

1. *Informed choice* – includes proper use of the "Know your limit, play within it" tagline, an appropriate level of responsible gambling messaging, and availability of rules of play and of information regarding the odds of winning
2. *Appropriate response* – includes ensuring gaming workers have received Appropriate Response Training
3. *Responsible practices* – includes practices such as placing clocks in highly visible areas and other requirements.
4. *Financial transactions* – includes prominently displaying information describing payout policies and stating that credit will not be extended
5. *Voluntary Self-exclusion Program* – means having a fully operational program, readily available information on the program and effective monitoring of gaming facilities for excluded individuals

Table 9: B.C. Responsible and Problem Gambling Program statistics

Program figures	2010/11	2009/10
Total help line calls (includes erroneous calls and hang-ups)	5,932	5,926
Calls made to help line specific to problem gambling	3,856	3,699
Referrals to the Problem Gambling Program	2,737	2,693
Clients served	2,038	1,403
Number of prevention information sessions delivered	1,703	1,688
Contracted service providers		
Clinical counsellors	30	28
Prevention service providers	14	17
Provincial coordinators	2	2
GameSense Advisors	26	25

Community Gaming Grants

Through the community gaming grant program, GPEB distributes funding to community organizations to support a wide array of programs and services across the province. Organizations receive funding based on their sector, the programs and services they deliver, and their financial need. In 2010/11, the Branch distributed $135 million to approximately 5,000 non-profit organizations.

This year, GPEB also continued to transition community organizations from two grant programs (Bingo Affiliation and Direct Access) to the consolidated community gaming grant program. This ensures that all community groups have fair and equitable access to gaming funds.

In 2010/11, community gaming grants funded five main sectors:

- *Human and social services* – programs that significantly contribute to the quality of life in a community, including eligible programs presented by service organizations and service clubs
- *Public safety* – programs that support public safety initiatives, disaster relief and emergency preparedness in British Columbia
- *Art and culture* – programs that enhance performing arts, media arts or visual arts, literature, heritage or culture for youth 18 and under in the broader community. Also fairs, festivals and museums, which include cultural or heritage programs and/or displays of broad community interest suitable for all ages.
- *Sport* – programs that enhance sports participation for youth 18 years and under and people of all ages with a disability
- *Parent Advisory Council (PAC) and District Parent Advisory Council (DPAC)* – PACs and DPACs are automatically eligible for community gaming grants. In 2010/11, PACs received $20 per student per year; DPACs received grants of $2,500 each year.

Table 10: Distribution of Community Gaming Grants

Sector	Sub-sector	2010/11 ($ millions)	2009/10* ($ millions)
Human and social services	Community service organization	$10.8	$12.4
	Disadvantage distress poverty	$29.8	$22.0
	Public community facilities	$5.5	$4.5
	Public health in the community	$12.5	$11.5
	Education community	$11.0	$5.9
	Enhancement of youth	$6.5	$5.0
	Not classified	$0.5	$3.0
	Education post-secondary alumni	$0.07	$0.1
Arts, culture and sports	Sports - youth/ people with disabilities	$22.0	$17.9
	Sports - general	$1.1	-
	Arts	$6.2	$8.5
	Culture	$2.5	$3.8
	Sports - adult	$0.3	$1.2
	Fairs, festivals, museums	$1.5	-
	Youth arts and culture	$1.8	-
Enhancement of public safety		$6.3	$6.4
Environment	Protection of animals and conservation of the environment	$1.4	$1.5
Parent Advisory Councils and DPACs		$14.8	$7.6
BC150 VIP		-	$1.3
Priority program one-time grants		$0.8	-
Total		**$135.0**	**$112.6**

* Core gaming grants only. Does not include grant payments made on behalf of other ministries in 2009/10.

Gaming licences

GPEB issues gaming event licences to eligible community organizations throughout B.C. that wish to raise funds to support their local programs and services.

In 2010/11, the Branch issued more than 9,100 licences. In all, community organizations raised an estimated $33.8 million to support their projects and services—a slight decrease over 2009/10.

It is the Branch's responsibility to ensure that charitable gaming events are conducted fairly and transparently. That is why the Branch ensures that organizations applying for a gaming event licence are in good standing, have a democratic governing structure and open membership, and operate according to sound financial practices. We also conduct regular audits of licensees to ensure they follow rules and guidelines designed to protect the public.

The gaming events that can be licensed are ticket raffles, independent bingos (conducted in facilities other than commercial bingo halls), wheels of fortune, social occasion casinos (casino-style events without slot machines) and Texas Hold'em poker tournaments.

GPEB offers four different types of gaming licences—Class A, B, C or D—depending on the organization's structure and operation, the amount of money it expects to raise, and the prize value and ticket price of its event.

All charitable gaming events must be operated on a not-for-profit basis, and net revenues must go to programs or services run by charitable, religious or community organizations that directly benefit the community. In addition, GPEB must approve the organizational structure of organizations conducting Class A, B, or C gaming events.

Classes of gaming licences

Class A

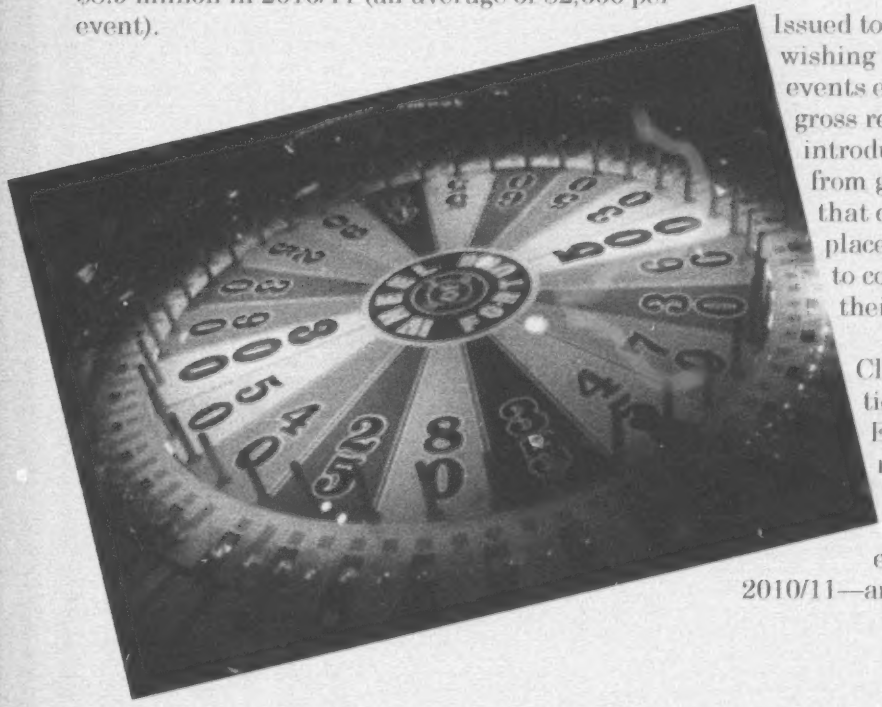
Issued to eligible charitable and religious organizations for gaming events expected to generate gross revenue exceeding $20,000.

Class A gaming events earned an estimated $19.5 million in 2010/11. Several organizations earned more than $500,000 for charitable causes. These included the Vancouver General Hospital and University of British Columbia Hospital Foundation ($3.4 million in net proceeds), the British Columbia Children's Hospital Foundation ($5 million in net proceeds), and the Canucks for Kids Fund ($1 million in net proceeds).

Class B

Issued to eligible charitable and religious organizations for gaming events expected to generate up to $20,000 in gross revenue.

Class B gaming events earned an estimated total of $8.9 million in 2010/11 (an average of $2,000 per event).



Class C

Issued to approved community fairs and exhibitions that operate ticket raffles, bingos, wheels of fortune, and limited casinos. These licences are issued to a select number of established fairs and exhibitions on a case-by-case basis.

Class C gaming events earned an estimated total of $2.6 million in 2010/11, most of which was earned by the Pacific National Exhibition. Class C gaming events were also held at the Alberni District Fall Fair and the Interior Provincial Exhibition and Stampede held in Armstrong.

Class D

Issued to eligible groups or organizations wishing to conduct small-scale fundraising events expected to generate up to $5,000 in gross revenue. This licence category was introduced in 2007 in response to requests from groups, individuals and organizations that could not meet the eligibility criteria in place for larger fundraisers, but still wished to contribute to programs and services in their communities.

Class D gaming events are restricted to ticket raffles and independent bingos. Eligibility is based on how the money raised will be spent.

Class D gaming events earned an estimated total of $2.8 million in 2010/11—an average of $640 per event.

Table 11: Charitable gaming events (all $ figures in thousands)*

Licence class	Licence type	2010/11 Number	2010/11 Earned	2009/10 Number	2009/10 Earned
Class A	Minor	175	$2,934.0	172	$3,306.6
	Major	29	$1,916.3	26	$1,443.2
	Registered	19	$11,902.8	21	$12,857.1
	Independent bingos	116	$2,711.6	117	$2,274.5
	Social occasion casino	1	$22.5	-	-
	Total Class A licences	**340**	**$19,487.2**	**336**	**$19,881.5**
Class B	Raffles	4,105	$8,356.9	4,069	$7,987.7
	Independent bingo	119	$288.9	150	$406.9
	Wheels of fortune	26	$31.8	25	$34.9
	Social occasion casino	25	$32.8	36	$57.8
	Poker	125	$208.9	114	$249.5
	Total Class B licences	**4,400**	**$8,919.4**	**4,395**	**$8,736.8**
Class C	Raffles	4	$2,242.0	3	$2,594.7
	Independent bingo	1	$0.2	1	$0.8
	Limited casino	1	$137.6	1	$364.0
	Wheels of fortune	2	$201.2	2	$226.9
	Total Class C licences	**8**	**$2,583.0**	**7**	**$3,186.4**
Class D	Independent bingo	100	$74.2	79	$53.6
	Raffles	4,281	$2,728.7	3731	$2,575.3
	Total Class D licences	**4,381**	**$2,802.9**	**3,810**	**$2,628.9**
Total—All licence classes		**9,129**	**$33,792.6**	**8,548**	**$34,443.7**

* Based on reported and estimated earnings

Gaming Online Service

Gaming Online Service (GOS) has been providing services to the general public, gaming staff and government agents for more than three years. The Branch continues to improve this online service to meet the changing needs of the public and of gaming industry. GOS is web-based and available 24 hours a day, seven days a week (there is help available to those without Internet access).

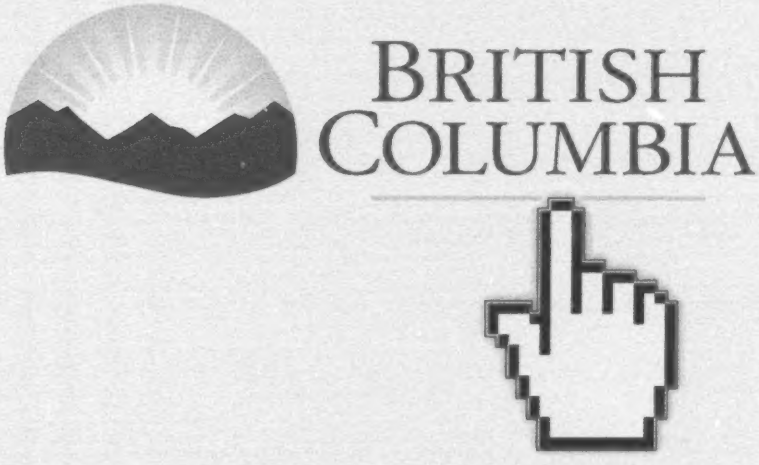
GOS provides access to a full range of gaming information and services. Features and benefits include:

- ◊ Community organizations can apply for grants and licences, submit required financial reports and pay fees by credit card—all online. This has reduced GPEB's data entry and administrative tasks, significantly improving efficiency and turnaround time.
- ◊ Gaming services providers and the public may submit online reports of real or suspected wrongdoing.
- ◊ GPEB staff can use the system to create and access certification reports for gaming equipment, and registration reports for individuals and companies.

GOS improves Branch administrative processes for registration and certification by providing valuable tools to track and monitor investigations, and by issuing licences and reports related to horse racing. The system also facilitates cross-divisional information sharing.

Future enhancements to GOS include: increased flexibility for the grant program, online registration services, more robust reporting, and improved data sharing with BCLC.

These improvements will build on GPEB's efforts to give British Columbians access to convenient, effective service.



Where the money goes

Commercial gaming revenue comes from casinos, community gaming centres, commercial bingo halls, lotteries and PlayNow.com. In 2010/11, commercial gaming in British Columbia, excluding horse racing, grossed $2.68 billion—an increase of $161 million over 2009/10. After prize payouts and expenses, government revenue from gaming totalled $1.10 billion.

This revenue supports local communities, the horse racing industry, GPEB operations, and essential government programs. As a part of a revenue-sharing agreement between the federal and provincial governments, $8.9 million of lottery revenues was remitted to the federal government.

Local communities

In 2010/11, GPEB distributed $135 million in community gaming grants to approximately 5,000 community organizations.

But community gaming grants are only one way in which local communities benefit from gaming revenues.

Local governments that host casinos and/or community gaming centres receive 10 per cent of net gaming income from casino gaming. This funding may be used for any purpose, as long as it's of public benefit to the host community. In 2010/11, GPEB paid $82.3 million in grants to 29 host local governments (a $0.4 million increase from 2009/10). A further $10.9 million for local economic development funding was paid to communities that host destination casinos. Since 1999, the Province has distributed over $680 million in gaming revenue to local governments.

Gaming funds support a wide variety of community programs, capital projects and other initiatives. For example, in 2010/11, several host local governments used gaming revenue to enhance local infrastructure, including expanding a fire hall in Coquitlam, rebuilding street lights in downtown Campbell River and repairing sidewalks and roads in Richmond. Recreation activities supported by gaming revenues included supporting the Comox Valley Art Gallery in Courtenay and renewing the sports centre in Coquitlam.

GPEB dedicated a $10 million grant to help revitalize the horse racing industry in B.C.

Essential government services

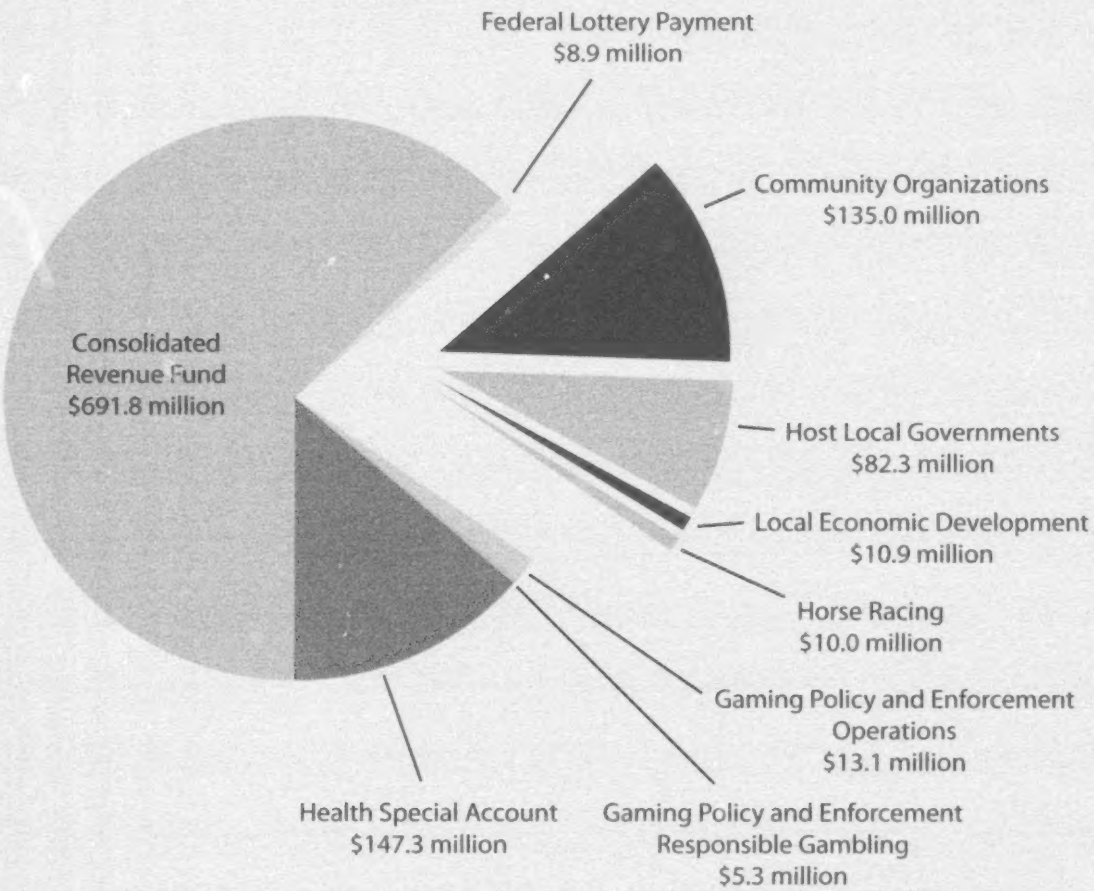
In 2010/11, $147.3 million in gaming revenue was directed to the B.C. Government's Health Special Account to be used exclusively for health promotion and health education services. More than $2 billion has been paid directly into this account since its creation in 1992.

In 2010/11, $691.8 million was allocated to the Consolidated Revenue Fund to support social programs, primarily health care and education. In the past 10 years, over $4.5 billion in gaming revenue has been directed to this fund.

Gaming Policy and Enforcement Branch operations

In 2010/11, GPEB spent $18.4 million on the regulation of gaming, a decrease of $1.4 million from 2009/10. Core operating costs accounted for approximately $13.1 million; Responsible Gambling Strategy programs accounted for the other $5.3 million.

Figure 1: Where the Money Goes 2010/11



Looking ahead

VSE Reinstatment Program

The B.C. Lottery Corporation's Voluntary Self-Exclusion program (VSE) allows people to prohibit themselves from entering casinos, community gaming centres and/or the PlayNow.com website. Individuals can sign up for a period of six months, or one, two or three years. Once chosen, this period can be extended, but not reduced. VSE registrants are offered a referral to problem gambling counselling and support services.

As part of ongoing efforts to improve the program and continue to align it with best practices, GPEB and BCLC will develop a reinstatement component to the program. The primary purpose of the VSE reinstatement program is to ensure that individuals who have struggled with a gambling problem (as acknowledged by the fact they signed up for VSE), receive support and education before being allowed to re-enter a gaming facility and/or access their online gaming account.

While all VSE participants are encouraged to receive free counselling through the Responsible and Problem Gambling Program at the time of sign-up and any time thereafter, acceptance of counselling support is voluntary. VSE participants will be required to complete the reinstatement program before they are able to re-enter gaming facilities. This will ensure that education and harm reduction information is provided to all participants reaching completion of their VSE term.

GPEB is currently working with BCLC on the early planning stages of a VSE Reinstatement Pilot Program. The pilot is expected to be launched before the end of the 2011/12 fiscal year.

Anti-Money-laundering Review

In January 2011, a review was ordered to examine anti-money-laundering (AML) strategies at B.C.'s gaming facilities. The review was intended to determine what policies, practices and strategies were in place, and identify any opportunities to strengthen the existing anti-money-laundering regime.

The report has been received by the Branch and an action plan is in development. Further information will be available in 2011/12.

Patron Gaming Fund pilot

The Patron Gaming Fund (PGF) gives casino customers the option to keep money in a controlled account for use in casino gaming. The purpose is to provide convenience for the high-dollar volume regular casino player in B.C. The PGF account was piloted in five Lower Mainland casinos through 2010.

Through their PGF account, patrons can deposit funds via electronic funds transfer (EFT) and wire transfers from bona fide Canadian financial institutions. Verified wins from the casino can also be deposited into the account.

A PGF account requires a minimum initial deposit of $10,000. Unused PGF account money and verified wins can be deposited back into the account for future use. Funds can be returned to the patron through EFT back to their financial institution, or by issuing a casino cheque.

Properly managed, a PGF account helps patrons handle large sums of money safely and conveniently. Under certain conditions, it can also reinforce service providers' anti-money-laundering practices.

The program has successfully completed the pilot phase, having been audited twice in its first year with positive results. In 2011/12, GPEB will look at how to make the program more accessible to patrons who request it.

Appendices

Appendix A: Gaming industry legal and operating framework

In B.C., gaming is regulated under the Criminal Code of Canada and the provincial Gaming Control Act. Responsibility for the effective regulation of gaming resides with the Minister of Public Safety and Solicitor General, who provides broad policy direction so that the government's social and economic priorities for gaming are achieved.

The Minister is not involved in decisions regarding individuals or specific companies or organizations, nor in the day-to-day management of gaming.

Regulating B.C.'s Gaming Industry

The Gaming Policy and Enforcement Branch, which regulates gaming in B.C., is made up of seven divisions:

- *Policy, Responsible Gambling and Business Services* – responsible for developing and maintaining the policy and regulatory framework for gaming and horse racing. This division establishes industry-wide public interest standards and manages responsible gambling initiatives and problem gambling treatment programs. In addition, it provides financial advice to GPEB's Executive, administers the Branch budget, makes payments on behalf of the Branch, and provides information and technology support.
- *Licensing and Grants* – distributes grants to community organizations and issues gaming event licences to eligible organizations.
- *Racing* – regulates and manages horse racing.
- *Registration and Certification* – conducts financial and personal background checks on all gaming services providers and gaming workers. This division also approves and certifies all gaming equipment used in the province.
- *Audit and Compliance* – conducts compliance audits of BCLC, commercial gaming, lottery gaming, licensed gaming events and community organizations' use of gaming proceeds.
- *Internal Compliance and Risk Management* – manages GPEB's internal compliance program and coordinates the Branch's and industry's risk management strategies.
- *Investigations and Regional Operations* – fulfills GPEB's enforcement function and is responsible for investigating all complaints and allegations of regulatory wrongdoing. This division assists law enforcement agencies in criminal investigations in or near gaming and horse racing facilities in B.C.

Conduct and Management of Gaming in B.C.

British Columbia Lottery Corporation

The B.C. Lottery Corporation conducts and manages all commercial gaming in the province, with the exception of horse racing. Headed by a board of directors appointed by Cabinet, the Corporation reports to the Minster of Public Safety and Solicitor General and is regulated by GPEB. The Corporation manages all contracts and formal relationships with service providers, as well as all lottery agreements with other provinces and the federal government. It also sets the rules of play for lotteries, casinos, community gaming centres and commercial bingo halls.

Horse Racing Service Providers

GPEB licenses private companies to conduct and operate live horse racing events at 5 horse race tracks in British Columbia. These service providers are responsible for conducting horse racing in accordance with the Gaming Control Act and the Rules of Thoroughbred and Standardbred Horse Racing. Pari-mutuel wagering on horse races is regulated by the federal government though the Canadian Pari-Mutuel Agency.

Licensed Community Organizations

GPEB licenses community and other eligible organizations to conduct and manage gaming events such as ticket raffles, independent bingos, wheels of fortune and social occasion casinos. Community organizations that host licensed charitable gaming events must comply with the rules and regulations outlined by the Province.

Supporting the Delivery of Gaming in B.C.

Gaming Services Providers

The B.C. Lottery Corporation contracts with private companies to provide day-to-day operational services at its gaming facilities and lottery outlets. These companies include casino, bingo, community gaming centre operators and lottery retailers. Services providers at gaming facilities must ensure all gaming employees have taken Appropriate Response Training and that no one under 19 participates in gambling activities or is present where gambling activity occurs.

Key Persons

GPEB identifies as key persons those individuals who hold critical security, operational or financial responsibilities in the gaming and horse racing industries. These individuals include directors, officers and senior employees of any business that is involved with gaming operations in the province.

Gaming Equipment Suppliers

Gaming equipment suppliers manufacture and/or distribute gaming equipment and materials to gaming venues. Manufacturers include companies that produce gaming equipment and materials, such as bingo paper, slot machines and playing chips. Distributors also include companies that market gaming equipment and materials.

Ancillary Service Providers

Ancillary contractors include companies that provide services to gaming operators that are not directly related to gaming itself (i.e., landlords, janitorial services and concessionaires).

Gaming and Horse Racing Workers

Gaming and horse racing workers are registered by the Province to ensure the integrity, honesty and financial responsibility of gaming and horse racing operations. Gaming workers are individuals who are paid to operate large-scale licensed raffles, casino games, commercial bingos or teletheatres. Horse racing workers include people who work for or conduct business with racetracks (i.e., jockeys, trainers, race horse owners and racing officials).

Horse Racing Teletheatre Operators

GPEB licenses teletheatre sites to present simulcast satellite broadcasts of horse races run at local, national and international tracks. There are 22 teletheatre locations in B.C. Twenty are operated by Teletheatre BC (TBC) in venues across the province. The remaining two teletheatres are located at racetracks (Hastings Racecourse and Fraser Downs Racetrack) and are operated by the Great Canadian Gaming Corporation.

Authorized Forms of Gaming

Gaming is a rapidly evolving industry. New products, approaches and methods of delivery are constantly being developed. Players' preferences are also constantly changing. The Province takes a cautious and responsible approach when determining the types of games it will permit and where those games may take place. New products/approaches must not jeopardize the integrity of the industry, must be socially responsible, and it must be possible for GPEB to effectively regulate them.

The following table summarizes the forms of gaming currently authorized and the locations where each may be offered.

Appendix B: Gaming permitted in British Columbia

Commercial gaming	Casinos	Bingo halls	CGCs*	Co-located racetracks/ casinos	Racetracks	Lottery outlets	Internet	Licensed events	Pubs & bars
Commercial bingo games		•	•						
Lottery products	•	•	•	•	•	•	•		•
Slot machines	•		•	•					
Table games	•			•					
Poker tables	•			•					
Electronic table games	•		•	•					
Live horse racing				•	•				
Teletheatres	•		•	•	•				•
Licensed charitable gaming									
Ticket raffles								•	•
Independent bingo								•	•
Social occasion casinos								•	•
Wheels of fortune								•	•

* Community gaming centres

Appendix C: Sources and distribution of revenues

Table A: Government gaming revenues and disbursements

Revenue – in (all figures in $millions)	2010/11	2009/10
Lotteries	$280.4	$261.7
Online gaming via PlayNow.com	$8.6	$5.0
Horse racing betting fee*	--	$1.9
Casinos	$724.4	$731.3
Bingo (includes community gaming centres)	$91.2	$81.1
Total revenue	**$1,104.6**	**$1,081.0**

Disbursements – out	2010/11	2009/10
Supporting communities		
Community organizations	$135	$160.1
Payment to host local governments	$82.3	$81.9
Local economic development (DAC)	$10.9	$5.6
Horse racing purse enhancements	$10.0	$6.9
Gaming Policy and Enforcement Branch operations		
Core programs to regulate gaming	$13.1	$14.6
Problem gambling program	$5.3	$5.2
British Columbia government programs		
Health Special Account	$147.3	$147.3
Consolidated Revenue Fund	$691.8	$650.7
Government of Canada transfer		
Under a federal/provincial lottery agreement	$8.9	$8.7
Total disbursements	**$1,104.6**	**$1,081.0**

* Responsibility for this fee was transferred to GPEB in 2010/11.

Table B: Host local government share of gaming revenues

Location and name of casino	2010/11	2009/10
Abbotsford		
• Chances Abbotsford CGC[1]	$807,176.68	$633,504.80
Burnaby		
• Gateway Burnaby Casino	$9,931,544.16	$10,274,028.84
Campbell River		
• Campbell River Chances CGC	$650,833.00	$593,696.44
Coquitlam		
• Boulevard Casino	$8,060,123.31	$8,810,887.89
Courtenay		
• Chances Courtenay CGC	$625,965.36	$672,674.81
Cowichan		
• Chances Cowichan CGC	$747,674.51	$770,977.51
Cranbrook (Ktunaxa First Nation)		
• Casino of the Rockies	$1,390,720.40	$1,425,509.55
Dawson Creek		
• Chances Dawson Creek CGC	$685,372.70	$656,090.31
Fort St. John		
• Chances Fort St. John CGC	$662,074.02	$721,458.62
Kamloops		
• Lake City Casino	$1,922,871.51	$2,006,945.42
• Chances Kamloops CGC	$482,685.01	$379,693.83
Kelowna		
• Lake City Casino	$2,216,116.95	$2,262,278.32
• Chances Kelowna CGC	$1,306,623.23	$1,347,264.41
Langley		
• Playtime Gaming CGC	$164,857.16	$107,274.54
• Langley Casino	$6,251,586.52	$6,727,795.29
Maple Ridge		
• Maple Ridge Community Gaming Centre[2]	$317,106.55	N/A
Mission		
• Chances Boardwalk CGC	$500,918.77	$543,765.46

1 The Chances Abbotsford Community Gaming Centre (CGC) opened June 2009.
2 The Maple Ridge CGC opened October 2010.

Table B: Host local government share of gaming revenues *(continued)*

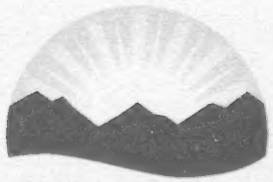
Location and Name of Casino	2010/11	2009/10
Nanaimo		
• Nanaimo Casino	$2,569,858.95	$2,638,750.55
New Westminster		
• Starlight Casino	$6,237,431.78	$6,057,680.60
Penticton		
• Lake City Casinos Ltd.	$1,712,121.15	$1,635,100.80
Port Alberni		
• Chances Rim Rock	$530,671.67	$395,489.41
Prince George		
• Treasure Cove Casino	$2,556,331.52	$2,403,753.25
• Chances Good Time Prince George CGC (Closed - Jun 2009)	N/A	$42,157.25
Prince Rupert		
• Chances Prince Rupert CGC	$397,854.92	$400,581.19
Quesnel		
• Billy Barker Casino	$553,138.12	$575,899.35
Richmond		
• River Rock Casino	$13,004,504.09	$11,659,480.94
Squamish		
• Chances Boardwalk Squamish[1]	$205,588.44	$48,866.11
Surrey		
• Fraser Downs	$2,873,692.63	$2,955,371.21
Terrace		
• Chances Terrace[2]	$456,541.18	$436,116.99
Vancouver		
• Edgewater	$5,881,108.92	$6,266,063.76
• Hastings	$1,288,937.07	$1,356,309.77
Vernon		
• Lake City Casino	$2,086,808.48	$2,079,228.85
View Royal		
• View Royal Casino[3]	$4,446,628.07	$4,596,081.06
Williams Lake		
• Signal Point CGC	$792,401.45	$477,684.35
Total municipal share of casino revenue	**$82,317,868.28**	**$81,958,461.48**

1 The Chances Boardwalk Squamish opened February 2010.
2 The Chances Terrace CGC opened in January 2009.
3 View Royal has revenue sharing agreement with nearby local governments.

Appendix D: Branch operating budget and expenditures

Branch Budget	2010/11	2009/10
Core operations	$13,200,000	$14,689,000
Responsible Gambling Program	$4,456,000	$4,541,000
Total Branch budget	**$17,656,000**	**$19,230,000**
Branch Expenditures	**2010/11**	**2009/10**
Core Branch operations		
Salaries and benefits costs	$11,414,900	$11,185,441
Operating and business expenses	$1,469,838	$2,476,710
Legal and professional services*	-	$947,529
Subtotal	**$13,120,935**	**$14,609,680**
Responsible Gambling Program		
Salaries and benefits costs	$256,433	$265,534
Operating and business expenses	$256,884	$310,415
Legal and professional services	$13,299	$9,321
Contracts	$4,800,234	$4,592,817
Subtotal	**$5,326,850**	**$5,166,887**
Total Branch expenditures	**$18,447,785**	**$19,776,567**
Surplus/(deficit)	**$(791,785)**	**$(546,567)**

* Legal services were centralized in 2010/11. Therefore, no budget or costs at the Branch level were incurred from that point on.



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